

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER )	
COOPERATIVE, INC. FOR A CERTIFICATE OF )	
PUBLIC CONVENIENCE AND NECESSITY FOR )	
THE CONSTRUCTION OF SELECTIVE CATALYTIC )	CASE NO.
REDUCTION NITROGEN OXIDE CONTROL )	2000-340
FACILITIES IN MASON AND PULASKI COUNTIES, )	
KENTUCKY )	

O R D E R

On June 30, 2000, East Kentucky Power Cooperative, Inc. ("East Kentucky") filed an application for a Certificate of Public Convenience and Necessity to construct Selective Catalytic Reduction ("SCR") NOx control technologies. East Kentucky was originally required to reduce its NOx emissions to 0.15 lb/mmBtu by May 1, 2003 to meet Environmental Protection Agency ("EPA") regulations, but that deadline was recently extended to May 31, 2004.<sup>1</sup> East Kentucky retained Asea Brown Boveri ("ABB") to perform site-specific technical and economic evaluations of East Kentucky's facilities to identify and analyze NOx compliance alternatives.

ABB performed an evaluation on East Kentucky's system to determine the best compliance scenario. Cooper 2, Spurlock 1 and Spurlock 2 are the largest units on East Kentucky's system and produced 85 percent of the system's Nox. ABB determined that compliance could be achieved for the entire system by addressing only these three units. ABB recommends the installation of SCRs at three of East

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<sup>1</sup>See State of Michigan v. Environmental Protection Agency, 2000 WL 1341477 (D.C.Cir.).

Kentucky's generating units: Spurlock unit 1, Spurlock unit 2, and Cooper unit 2. The total estimated capital cost for the SCR installation is \$140 million.

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that the proposed construction of three SCRs is needed for East Kentucky to reduce NOx emissions to the 0.15 lb/mmBtu level imposed by EPA. The proposed construction is reasonable, cost effective, and will not result in the wasteful duplication of facilities.

IT IS THEREFORE ORDERED that East Kentucky be granted a Certificate of Public Convenience and Necessity to construct SCRs at Spurlock unit 1, Spurlock unit 2, and Cooper unit 2, as needed to comply with EPA requirements.

Done at Frankfort, Kentucky, this 16<sup>th</sup> day of November, 2000.

By the Commission

ATTEST:

  
Executive Director